

LOCAL GASOLINE TAX FUND

Background:

Loudoun County began the collection of a local two percent gasoline tax in January 1989. Initially, gasoline tax funds were administered through the Loudoun County Transportation District Commission (LCTDC). In January 1990, the Loudoun County Board of Supervisors dissolved the LCTDC and elected to join the Northern Virginia Transportation Commission (NVTc). Local gasoline tax collections are now directed to a special Loudoun account at NVTc and transferred to the County as revenue.

The Loudoun County Board of Supervisors adopted an initial policy governing the distribution of Gasoline Tax revenue in 1989. This policy included the requirement that \$500,000 be set aside annually to provide local matching funds as required for participation in the State's Revenue Sharing transportation program. The Board subsequently increased the matching contribution by \$100,000 to accommodate growth in the State Revenue Sharing program. In addition, the 1989 policy stipulated that 20% of total annual Gasoline Tax revenue be allocated for use by the Town of Leesburg on significant transportation projects.

In 1993, the Board of Supervisors modified the original policy by establishing a funding formula for the Local Gasoline Tax Fund's annual budget. This policy requires that Fund revenue be allocated according to the following formula: 80% for capital projects, 15% for transportation-related projects, and 5% for administration of the County's transportation system. The Board also implemented an application process for community organizations requesting use of County Gasoline Tax revenue.

The Board of Supervisors' consideration of the Local Gasoline Tax Fund budget typically occurs in two phases. Prior to the development of the County Administrator's Draft Fiscal Plan, County staff presents proposals received during the annual application process to the Board's Land Use/Transportation Committee, along with revenue estimates for the upcoming biennium. Following its review, the Committee provides direction to staff on those applications it supports recommending to the full Board of Supervisors for funding. The draft Local Gasoline Tax Fund budget is subsequently included in the Draft Fiscal Plan, and consideration by the Board occurs in concert with the development of the Adopted Budget. The Transportation Committee completed its review of Local Gasoline Tax applications on December 13, 2004.

The following pages reflect the Transportation Committee's recommendations to the Board of Supervisors for the use of gasoline tax funds in FY 06. Since the adoption of the FY 05 budget, the Board of Supervisors has approved supplemental appropriations totaling \$130,000 for the Evergreen Mills/Sycolin Road Intersection Improvements.

Current projections indicate that the County will have gasoline tax revenue totaling \$4.0 million in FY 05 and \$4.3 million in FY 06, plus \$1,239,077 in undesignated carryover at the end of FY 05. Recent fluctuations in gasoline prices and sales volume, as well as the historic variability in annual yield, indicate that current estimates may be subject to revision. The Transportation/Land Use Committee typically revisits fund revenue estimates periodically during the course of the year.

	FY 04 Actual	FY 05 Adopted	FY 05 Projected	FY 06 Provisional	FY06 Proposed
SOURCES:					
Gas Tax Revenue	\$4,416,429	\$3,800,000	\$4,000,000	\$4,000,000	\$4,300,000
Interest	168,231	175,000	175,000	200,000	175,000
Prior Year Carryover	1,940,344	585,159	1,427,213	188,990	1,239,077
Close out projects	27,166	0	8,033	0	0
Other (Bond Proceeds)	<u>7,394</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ALL SOURCES:	\$6,559,564	\$4,560,159	\$5,610,246	\$4,388,990	\$5,714,077
BUDGETED PROJECTS:					
SUPPLEMENTAL PROJECTS:	461,049	0	130,000	0	0
SURPLUS (+)/DEFICIT (-)	\$1,427,213	\$318,990	\$1,239,077	\$145,138	\$250,000

LOCAL GASOLINE TAX FUND

FY 05/06 LOCAL GASOLINE TAX FUND BUDGET			
Applicant/Sponsoring Organization	FY 05 Adopted	FY 06 Provisional	FY 06 Proposed
CAPITAL PROJECTS (BOS Policy 80%):			
Town of Leesburg (20%)	\$795,000	\$840,000	\$895,000
Town of Purcellville (2%)	0	0	89,500
Purcellville-Round Hill Trail	0	0	40,000
Revenue Sharing	500,000	500,000	500,000
Revenue Sharing Supplement	100,000	100,000	100,000
Traffic Signal Contingency	250,000	250,000	350,000
Bikeway & Pedestrian Facilities Contingency	350,000	350,000	250,000
Leesburg Park & Ride Garage	0	0	1,300,781
SUBTOTAL, CAPITAL PROJECTS:	\$1,995,000	\$2,040,000	\$3,525,281
Percent of Total Expenditures	47%	48%	62%
TRANSPORTATION/TRANSIT (15%)			
Leesburg Safety Shuttle	\$11,000	\$11,000	\$11,000
Commuter Bus - 24 bus fleet	1,248,110	1,288,791	1,343,280
Lowe's Island P&R Lot	26,000	26,000	0
Purcellville P&R Lot	80,000	0	0
Adaptive Recreation Transportation	59,000	59,000	63,000
VA Regional Transit	353,750	337,838	337,838
Every Citizen Has an Opportunity (ECHO)	23,000	23,900	23,900
American Red Cross	76,568	85,756	85,756
Public Transportation Fund	300,000	300,000	0
SUBTOTAL, TRANSPORTATION:	\$2,177,428	\$2,132,285	\$1,864,774
Percent of Total Expenditures	51%	50%	33%
ADMINISTRATIVE (5%)			
Rideshare Grant Match	\$40,375	\$43,201	\$43,201
Commuter Bus Promotion & Advertising	10,000	10,000	10,000
Dulles Area Transportation Association	6,000	6,000	6,000
No. Virginia Transportation Commission	12,366	12,366	14,821
SUBTOTAL, ADMINISTRATIVE:	\$68,741	\$71,567	\$74,022
Percent of Total Expenditures	2%	2%	1%
TOTAL RECOMMENDED EXPENDITURES:	\$4,241,169	\$4,243,852	\$5,464,077
UNDESIGNATED:	\$318,990	\$275,138	\$250,000
TOTAL EXPENDITURES:	\$4,560,159	\$4,518,990	\$5,714,077

LOCAL GASOLINE TAX FUND

Capital Projects

Project/Program Name: Revenue Sharing

FY 05 Adopted: \$500,000

FY 06 Provisional: \$500,000

FY 06 Proposed: \$500,000

Project Description: This allocation provides the local funding portion for the County's participation in the State revenue sharing program. Each year, the County has the opportunity to match up to \$500,000 of State funds on a 50/50 basis for transportation improvement projects. Under this program, the County recently leveraged State funds for preliminary engineering and construction for projects on Routes 7, 28 and Route 643. The revenue sharing program continues to remain an important funding source to facilitate the construction of surface transportation projects in the County.

Project/Program Name: Revenue Sharing Supplement

FY 05 Adopted: \$100,000

FY 06 Provisional: \$100,000

FY 06 Proposed: \$100,000

Project Description: At the end of each fiscal year, the State provides an additional round to apply for revenue sharing funds that were not claimed in the first round. These funds are available at the same 50/50 match as the regular Revenue Sharing Program. The County has successfully used these funds over the past several years to assist in construction projects, most recently for the Route 28 PPTA project.

Project/Program Name: Town of Leesburg (20% supplement tied to revenue projections)

FY 05 Adopted: \$795,000

FY 06 Provisional: \$840,000

FY 06 Proposed: \$895,000 (\$1,195,000 requested)

Project Description: This annual 20% percent allocation has been designated by the Town for the Sycolin Road widening project, which has been allocated \$3,638,732 through FY 04. The Transportation Committee recommended that the Board continue to dedicate 20% of annual revenue toward the Town for this project.

Project/Program Name: Town of Purcellville

FY 05 Adopted: \$0

FY 06 Provisional: \$0

FY 06 Proposed: \$89,500 (\$1,350,000 requested)

Project Description: The Town of Purcellville requested \$1,350,000 for five major projects within the Town, focusing primarily on studies for an interchange at Routes 7 and 690, sidewalk improvements, improvements on East Main Street and the development of a Town Mobility Plan. The Chairman of the Board of Supervisors received a letter from the Purcellville Town Council seeking an arrangement similar to the one the County upholds with the Town of Leesburg. In this arrangement, the Town receives a share of the County's gasoline tax revenues proportional to the Town's share of the County's population. The Transportation Committee decided to honor the Town's request, allocating 2% of gasoline tax revenues (\$89,500) to the Town to use for transportation projects at its discretion.

LOCAL GASOLINE TAX FUND

Capital Projects, continued...

Project/Program Name: **Purcellville-Round Hill Trail**

FY 05 Adopted: \$0

FY 06 Provisional: \$0

FY 06 Proposed: \$40,000

Project Description: This project request provides the final portion of a 20% local match to a Federal TEA-21 grant project to complete the Purcellville-Round Hill Trail. This request is in addition to a \$102,500 appropriation made in the FY 05 gasoline tax budget to complete the Town of Purcellville to Franklin Park portion of the trail. The Board of Supervisors previously endorsed this TEA-21 project, and funding was recommended by the Transportation Committee for inclusion in the FY 06 Proposed Budget.

Project/Program Name: **Traffic Operations Contingency**

FY 05 Adopted: \$250,000

FY 06 Provisional: \$250,000

FY 06 Proposed: \$350,000

Project Description: The Board began designating funds for future traffic signal needs in FY 01. In both FY 01 and FY 02, the Board appropriated \$200,000 per year for this purpose, and added \$140,000 to replenish the contingency in mid-FY 01. The Board voted in FY 03 to increase the annual allocation to \$250,000, and continued funding at the existing level in FY 04 & FY 05. Staff recommended increasing the FY06 contribution in order to fund specific safety signage and pilot parking district projects proposed for Gasoline Tax funding by the Office of Transportation Services. The Transportation Committee agreed to honor the request for funding these projects within the Traffic Signal Contingency account, with an additional \$25,000 to be used for traffic operations by the Office of Transportation Services.

Project/Program Name: **Bikeway and Pedestrian Facilities Contingency**

FY 05 Adopted: \$350,000

FY 06 Provisional: \$350,000

FY 06 Proposed: \$250,000

Project Description: The Transportation Committee designated \$250,000 in FY 03 for the creation of a Bikeway and Pedestrian Facilities Contingency. This funding will be used to cover the County's share of requested bikeway and pedestrian facility costs for projects that are currently in the preliminary engineering phase. Examples of projects that may be proposed for funding under this initiative include Algonkian Parkway, West Church Road and subdivision connections. The Transportation Committee recommended that the Board increase the annual contribution to \$350,000 to provide sufficient funding for school intersection improvements. The Transportation Committee reduced the contribution to \$250,000 in FY 06 due to other funding priorities.

Project/Program Name: **Leesburg Park & Ride Facility**

FY 05 Adopted: \$0

FY 06 Provisional: \$0

FY 06 Proposed: \$1,300,781

Project Description: The Transportation Committee considered a proposal at its November 8, 2004, meeting to construct a parking garage in the Leesburg area to serve the County's Commuter Bus program. On December 1, 2004, the County issued a Request for Proposals (RFP) under the guidelines of the Public-Private Transportation Act of 1995 (PPTA) to private entities to submit plans for a structured Park & Ride facility in the Leesburg area, in the vicinity of the Dulles Greenway. The deadline for submissions is January 19, 2005. The FY 06 Gasoline Tax Fund budget proposes to contribute \$1,300,781 towards the construction of the Leesburg Park & Ride Facility. Combined with \$6,885,885 in other identified funding sources, the project has \$8,185,885 available for the development of a Park & Ride facility in FY 06.

LOCAL GASOLINE TAX FUND

Transportation/Transit Projects

Project/Program Name: **Adaptive Recreation Transportation**

FY 05 Adopted: \$59,000

FY 06 Provisional: \$59,000

FY 06 Proposed: \$63,000

Project Description: During the FY 05 budget process, the Board of Supervisors appropriated \$59,000 from the Local Gasoline Tax Fund to replace local tax funding in the Department of Parks, Recreation & Community Services designated for summer camp transportation expenses for the Adaptive Recreation program. The Department indicated that FY 06 transportation expenses will total \$63,000 due to increased ridership and fuel costs.

Project/Program Name: **American Red Cross, Loudoun County Chapter**

FY 05 Adopted: \$76,568

FY 06 Provisional: \$85,576

FY 06 Proposed: \$85,756

Project Description: This allocation provides the difference between the cost of operating medical transport services for senior citizens and grant funding received under the Older Americans Act. The Red Cross program is a lifeline for necessary medical, pharmacy and shopping needs of seniors of Loudoun County.

Project/Program Name: **Every Citizen Has an Opportunity (ECHO)**

FY 05 Adopted: \$23,000

FY 06 Provisional: \$23,900

FY 06 Proposed: \$23,900

Project Description: ECHO assists disabled persons with securing and maintaining integrated community-based employment. This funding supports part of the organization's transportation operational costs for transporting clients to their workplaces. As in previous years, the organization will continue to seek Federal Transit Administration grant funding. These funds will be used for the required 20% match or the purchase of two-way radio equipment.

Project/Program Name: **Loudoun County Commuter Bus Operations**

FY 05 Adopted: \$1,248,110

FY 06 Provisional: \$1,288,701

FY 06 Proposed: \$1,343,280

Project Description: This allocation continues funding for Loudoun County Commuter Bus operations. This service provides transportation for citizens of Loudoun County commuting daily to and from Arlington County and Washington, D.C. The FY 05 budget represented the first budget under which the commuter bus program operated according to its new business model, where a new County-owned fleet was operated and maintained by a private contractor. The current fleet consists of 25 buses, 24 of which are owned by the County. Of the 24 County-owned busses, 21 are in service and 3 are in reserve, with an additional bus in reserve that is leased from the private contractor. For FY 06, the Board has authorized the procurement of two additional buses, expanding the fleet to 23 buses in service. The commuter bus program is funded by a combination of fare box revenue, annual appropriations from the Gasoline Tax Fund and State Formula aid. The proposed Gasoline Tax allocation represents an estimated 37% operating subsidy, plus additional funding to account for increased diesel fuel costs in FY 06.

LOCAL GASOLINE TAX FUND

Project/Program Name: **Lowes Island Park and Ride Lot**
FY 05 Adopted: \$12,600

FY 06 Provisional: \$26,000
FY 06 Proposed: \$0

Project Description: The County began leasing spaces in Lowes Island for a commuter bus park and ride lot in September 2003. This location serves riders traveling to the West Falls Church Metro rail station. The State of Virginia has agreed to pay the County's 20% local match for a Federal CMAQ grant to lease the 40 space parking lot, eliminating the need for a \$26,000 appropriation from the Local Gasoline Tax Fund in FY 06.

Project/Program Name: **Leesburg Safety Shuttle**
FY 05 Adopted: \$11,000

FY 06 Provisional: \$11,000
FY 06 Proposed: \$11,000

Project Description: Since FY 01, the Town of Leesburg has contracted with the Virginia Regional Transportation Association (VRTA) for the operation of a shuttle service on the Route 15 Bypass. The County agreed to participate in the service on a 50/50 cost-sharing basis. The Town requested that the County begin providing a 100% subsidy to the Town in FY 05. The Transportation Committee recommended that the County continue its current practice of providing 50% support, equivalent to \$11,000 in FY 06.

Project/Program Name: **Virginia Regional Transportation Association (VRTA)**
FY 05 Adopted: \$353,750

FY 06 Provisional: \$337,838
FY 06 Proposed: \$337,838 (\$653,952 request)

Project Description: Formerly known as the Loudoun County Transportation Association, VRTA is a public transportation system that serves County residents using a combination of demand/response and fixed route services. VRTA's operations in Loudoun County include daily transportation services in Leesburg, Ashburn and Sterling/Countryside, the 7 to 7 on 7 Service, as well as "On Demand" services throughout the County. VRTA introduced its first fixed route bus service in Leesburg in January 2001, and began service along Route 7 in 2002. Gasoline tax funds have been provided to VRTA since FY 91. Due to a potential loss of State funding, VRTA's request for FY 06 Gas Tax funds increased significantly. Virginia Regional Transit will not know for certain whether they will receive State funding at FY 05's level until the Spring of 2005. Until the amount of State Aid is determined, staff suggests funding their FY 06 Provisional request. If additional funds are needed, staff recommends the Transportation Committee re-assess Gasoline Tax Fund revenues in the Spring to determine if any extra revenue can be diverted to VRTA's local bus services.

Project/Program Name: **Public Transportation Fund**
FY 05 Adopted: \$300,000

FY 06 Provisional: \$300,000
FY 06 Proposed: \$0

Project Description: The Transportation Committee recommended that the Board of Supervisors designate \$300,000 per year for the Public Transportation Fund. This funding would be available for the Board to use for future transportation needs, including the Dulles Transit Project. The Transportation Committee agreed to forego making a contribution to the Public Transportation Fund in FY 06 in order to make funding available for the Leesburg Park & Ride project.

LOCAL GASOLINE TAX FUND

Administrative Projects

Project/Program Name: **Commuter Bus Promotion and Advertising**

FY 05 Adopted: \$10,000

FY 06 Provisional: \$10,000

FY 06 Proposed: \$10,000

Project Description: The policy guidelines for the distribution of these funds are established by the Loudoun Citizens Commuter Bus Advisory Board (CBAB). The purpose of this allocation is to provide a fund for the Loudoun County Commuter Bus Service to advertise its services to the public. The County has made use of this allocation in recent years to leverage Federal grant funding promoting public awareness of transit alternatives.

Project/Program Name: **Rideshare Program Match (Department of Planning)**

FY 05 Adopted: \$40,375

FY 06 Provisional: \$43,201

FY 06 Proposed: \$43,201

Project Description: Local gasoline tax funding for the Rideshare program has been an element of the budget since FY 90. This matching program leverages State funds at an 80/20 ratio, with the State providing 80% of the program costs. The Rideshare program provides personal assistance to commuters interested in car/van pooling and commuter transit services, and advocates the benefits of ridesharing services through advertisements and promotional events.

Project/Program Name: **Dulles Area Transportation Association (DATA)**

FY 05 Adopted: \$6,000

FY 06 Provisional: \$6,000

FY 06 Proposed: \$6,000

Project Description: Loudoun County is a member of the Dulles Area Transportation Association, which is a transportation management association operating in the Dulles Airport/Route 28 employment center. DATA assesses transportation needs and issues, formulates strategies to meet those needs, and provides a forum within which all members can work cooperatively to formulate policies, plans, and programs for the effective administration of transportation operations within the area. Membership consists of government and business organizations. Annual dues have been funded from the Local Gasoline Tax Fund since FY 92.

Project/Program Name: **NVTC Administrative Costs**

FY 05 Adopted: \$12,366

FY 06 Provisional: \$12,366

FY 06 Proposed: \$14,821

Project Description: The Northern Virginia Transportation Commission receives, invests, and disburses Loudoun County's share of local gasoline tax funds. This item represents the administrative cost of this service.